



Michael Garrett, CPA  
Chief Operating Officer  
P.O. Box 3222  
193 Otto Street  
Port Townsend, WA 98368

Voice (360) 385-1733 Ext 160  
Fax (360) 385-5177  
mike.g@aptalaska.com

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**Written *Ex Parte* Presentation**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Attention: Wireline Competition Bureau

**Re: Connect America Fund – WC Docket No. 10-90**

Dear Ms. Dortch:

Alaska Telephone Company (SAC – 613017), Bettles Telephone Inc. (SAC – 613002) and North Country Telephone Inc. (SAC – 613026), collectively AP&T, files this letter to express its thoughts on how the FCC should address rate-of-return carriers' election of support based on the Alternative Connect America Cost Model (A-CAM), which would produce support and transition payments that significantly exceed the Commission's overall 10-year budget for carriers electing the model path.

AP&T has been a leader in providing telecommunications services in Alaska even before statehood. AP&T's service area is expansive, covering over 1,100 linear miles (think Seattle to Denver). We serve over 22 exchanges most of which you can only access by boat or plane. AP&T has been successful in providing broadband service for many years but to provide access speeds at 10/1 or greater will require significant investment in local and middle mile infrastructure. We began with investing in a microwave network covering Southeast Alaska in 2009 and we recently completed the construction of submarine fiber between Juneau, Haines and Skagway. We chose model-based support because we feel that the level of funding it provides will allow us to meet or exceed the minimum requirements of the FCC and that of our customers.

The FCC has various options at its disposal to address the high level of interest in model-based support. AP&T believes the Commission should employ measures that keep as many companies as possible eligible to participate in A-CAM support. Carriers that accepted the A-CAM support offer expended significant time and effort to determine whether and how model-based support would be beneficial for their rural customers and communities. Therefore, they should be given every opportunity to continue to elect A-CAM support.

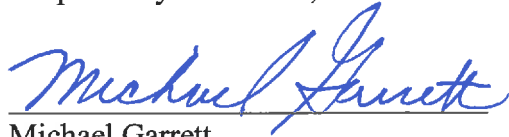
AP&T would support prudent method that prioritizes A-CAM electing carriers based on their level of broadband deployment and how meeting the FCC's goals improves services in their study area. If such a prioritization method is adopted, it must be applied uniformly so as to be equitable to all electing carriers and not arbitrary or capricious

Also, any reduction in a carrier's offer of model-based support must be accompanied with an appropriately calculated reduction in broadband deployment obligations. This includes a reduced number of locations for which there is a defined deployment obligation and/or reduced minimum speed requirements for such deployments.

Finally, to the extent the measures the FCC decides to revise offers of model-based support to an Alaska-based carrier, it is critical that those carriers be allowed to choose the revised model-based support, participate in the "Alaska Plan," or choose the Rate-of-Return option.

Thank you for allowing comments, suggestions and feedback.

Respectfully Submitted,



Michael Garrett

Chief Operating Officer

Mobile: (907) 360-6317

Email: [mike.g@aptalaska.com](mailto:mike.g@aptalaska.com)